(b) The superintendence and control of elections is vested in the Returning Officer appointed by the Board of Directors of a Multi-State Cooperative Society (including KRIBHCO) as per the provisions of the MSCS Act, 2002 and Rules made their under. It is not true that the elections are going unopposed over the years.

(c) As per information available, no complains/allegations against the Chairman, KRIBHCO are reported.

(d) The frequency of elections is as prescribed in the MSCS Act, 2002, the Rules framed there-under and the Bye-laws of the Society and hence, there does not seem to be any indication of use of money and muscle power.

(e) No expenditure is incurred by Government of India on foreign tours of Chairman, KRIBHCO. However, for the year 2008-09, an amount of Rs. 7,87,081/- had been incurred by M/s. KRIBHCO on foreign tours of Chairman, KRIBHCO which includes his visits to KRIBHCO's Joint Venture Project in Oman and International Cooperative Conferences.

Issue of price fixation of drugs

†3275. SHRI KAPTAN SINGH SOLANKI:

SHRI PRABHAT JHA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that pharmaceutical companies and the National Pharmaceutical Pricing Authority are at loggerheads over the issue of price control of drugs in the country;

(b) if so, the details thereof;

(c) the present policy of Government regarding price fixation and price control and whether Government proposes to make any type of amendment in the present policy; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) No, Sir.

(b) Does not arise.

(c) and (d) As per the Modifications in Drug Policy, 1986, announced in September, 1994, the drugs having minimum annual turnover of Rs.400 lakhs and drugs of popular use in which there is monopoly situation, having annual turnover of Rs.100 lakhs or more or there is a single formulator having 90% or more market share in the Retail Trade (as per ORG), have to be kept under price control. The Drugs (Prices Control) Order, 1995 (DPCO1995) was promulgated by the Govt India on 6th January; 1995 in exercise of the powers conferred by Section 3 of the Essential Commodities Act 1955. As per the criteria specified in para 22.7.2 of the 'Modifications in Drug Policy,1986, 76 bulk drugs (subsequently reduced to 74) are included in the First Schedule of DPCO' 95. These bulk

†Original notice of the question was received in Hindi.

drugs are called Scheduled bulk drugs. The prices of these 74 bulk drugs, and the formulations containing any of these Scheduled drugs are controlled by the Government/ National Pharmaceutical Pricing Authority (NPPA) as per the provisions of DPCO, 1995. No one can sell any Scheduled drug/formulation at a price higher than the price fixed by NPPA. NPPA has fixed / revised the prices of Scheduled bulk drugs in 470 cases and 10253 formulation packs since its inception in August, 1997. Of these, the prices of 18 Scheduled bulk drugs and derivatives and 1737 formulations were fixed / revised during the period from 01.4.2009 to 30.11.2009.

In respect of drugs - not covered under the DPCO, 1995 *i.e.* non-Scheduled drugs, manufacturers are at liberty to fix the prices by themselves without seeking the approval of Government / NPPA. Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulation, cost of. excipients, cost of R&D, cost of utilities / packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc. However, as a part of price monitoring activity, NPPA regularly examines the movement in prices of non-Scheduled formulations. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-Scheduled formulations. Wherever a price increase beyond 10% per annum *w.e.f.* 1.4.2007 (this was 20% prior to 1.4.2007) is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions action is initiated under paragraph 10(b)of the DPCO' 95 for fixing the price of the formulation in public interest. This is an ongoing process. Based on monitoring of prices of non-Scheduled formulations, NPPA has fixed prices in case of 27 formulation packs under para 10(b) and companies have reduced price voluntarily in case of 64 formulation packs. Thus in all, prices of 91 packs of non-Scheduled drugs have got reduced as a result of the intervention of NPPA.

Keeping in view the directions of the Supreme Court it has been proposed in the draft National Pharmaceuticals Policy, 2006 that basket of drugs for price control would be the formulations of specified strength of essential medicines as contained in NLEM, 2003 (subject to certain exemptions) in addition to the 74 bulk drugs and formulations thereof which are at present under price control under the Drugs (Prices Control) Order, 1995 and the formulations based thereon.

Annual growth rate in Pharmaceutical industry

†3276. SHRI SHIVANAND TIWARI:

SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Indian pharmaceutical industry is estimated to have an annual average growth of 12.3 per cent in the coming years;

(b) if so, the facts thereof and the estimated value of business in this industry in 2007, 2010 and 2015; and

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†Original notice of the question was received in Hindi.